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USAID Project No. 386-0531

TWELFTH AMENDATORY AGREEMENT

TO THE

PROJECT GRANT AGREEMENT

BETWEEN

THE PRESIDENT OF INDIA

AND

THE UNITED STATES OF AMERICA

FOR

FINANCIAL INSTITUTIONS REFORM AND EXPANSION PROJECT

Dated: September 24, 2001

USAID Project No. 386-0531

TWELFTH AMENDATORY AGREEMENT TO THE PROJECT GRANT AGREEMENT
FOR THE
FINANCIAL INSTITUTIONS REFORM AND EXPANSION PROJECT

Between

The President of India
(hereinafter referred to as the "Grantee")

And

The United States of America, acting through the
United States Agency for International Development ("USAID")

Dated: September 24, 2001

Article I: Purpose of Amendment

The purpose of this Twelfth Amendatory Agreement to the Project Grant Agreement for the Financial Institutions Reform and Expansion Project (FIRE), entered into on the 27th of September, 1993, ("Original Agreement") is to: (i) grant an additional Three Million Eight

Hundred and Eleven Thousand U.S. Dollars (\$3,811,000) to the Grantee; and (ii) increase the Host Country Contribution by the Rupee equivalent of One Million Three Hundred and Thirty-Four Thousand U.S. Dollars (\$1,334,000) to a total of Eleven Million One Hundred and Fifty-Three Thousand U.S. Dollars (\$11,153,000) up to and including this Twelfth Amendatory Agreement.

Article II: Financing

A. Section 3.1 of the Original Agreement, as previously amended, is hereby deleted in its entirety and the following substituted in its stead:

"Section 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the Project, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to the Grantee not to exceed Thirty One Million Eight Hundred and Thirty-One Thousand U.S. Dollars (\$31,831,000) ("Grant"). **[The Grant is composed of: Two Million U.S. Dollars (\$2,000,000) under the terms of the Original Agreement; One Million Three Hundred Thousand U.S. Dollars (\$1,300,000) under the terms of the First Amendatory Agreement; One Million Thirty Thousand U.S. Dollars (\$1,030,000) under the terms of the Second Amendatory Agreement; One Million Four Hundred Thousand U.S. Dollars (\$1,400,000) under the terms of the Third Amendatory Agreement; Four Million Three Hundred Thousand U.S. Dollars (\$4,300,000) under the terms of the Fourth Amendatory Agreement; One Million Five Hundred Thousand U.S. Dollars (\$1,500,000) under the terms of the Fifth Amendatory Agreement; Two Million One Hundred Fifty Thousand U.S. Dollars**

(\$2,150,000) under the terms of the Sixth Amendatory Agreement; Six Million Three Hundred Twenty Thousand U.S. Dollars (\$6,320,000) under the terms of the Seventh Amendatory Agreement; Six Hundred Thousand U.S. Dollars (\$600,000) under the terms of the Eighth Amendatory Agreement; Two Million Seven Hundred and Twenty Thousand U.S. Dollars (\$2,720,000) under the terms of the Ninth Amendatory Agreement; One Million Two Hundred Thousand U.S. Dollars (\$1,200,000) under the terms of the Tenth Amendatory Agreement; Three Million Five Hundred Thousand U.S. Dollars (\$3,500,000) under the terms of the Eleventh Amendatory Agreement; and Three Million Eight Hundred and Eleven Thousand U.S. Dollars (\$3,811,000) under the terms of this Twelfth Amendatory Agreement] . The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the project."

B. Section 3.2 (b) of the Original Agreement, as previously amended, is hereby deleted in its entirety and the following substituted in its stead:

"(b) It is the understanding of the Parties that over the life of the project, the Grantee will provide or cause to be provided from enterprises receiving assistance through the Project, the equivalent of Fifteen Million Four Hundred Thousand U.S. Dollars (\$15,400,000) in cash and/or in kind as Host Country Contribution. Of this amount, the Grantee agrees to provide or cause to be provided not less than the equivalent of Eleven Million One Hundred and Fifty-Three Thousand U.S. Dollars (\$11,153,000) in connection with the Grant up to and including this Twelfth Amendatory Agreement."

C. The Illustrative Summary of Project Costs as shown in Attachment A to Annex 1 of the Original Project Grant Agreement, as previously amended, is hereby deleted in its entirety and is replaced by the Illustrative Summary of Project Costs as shown in Attachment A to this Twelfth Amendatory Agreement.

Article III: Other Terms and Conditions

All other terms and conditions of the Original Agreement, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the Grantee and USAID, each acting through its duly authorized representative, have caused this Twelfth Amendatory Agreement to be signed in their names and delivered as of the day and year first written above.

THE PRESIDENT OF INDIA

UNITED STATES OF AMERICA

By: Signed
Name: Ashok Lavasa
Title: Joint Secretary
Department of Economic Affairs
Ministry of Finance

By: Signed
Name: Walter E. North
Title: Director
U.S. Agency for International
Development
Mission to India

Attachment A

FINANCIAL INSTITUTIONS REFORM & EXPANSION PROJECT (386-0531)
 ILLUSTRATIVE SUMMARY OF PROJECT COSTS *
 UPTO AND INCLUDING THE TWELFTH AMENDMENT
 (IN THOUSANDS OF U.S.DOLLARS)

Project Element	Obligation This Twelfth Amendment				Cumulative Obligation				Planned Life of Project Obligation			
	USAID		HCC**		USAID		HCC**		USAID		HCC**	
	FX	LC	LC	Total	FX	LC	LC	Total	FX	LC	LC	Total
Tech. Assistance	2,016	800	2,816	3,380	16,495	6,343	22,838	5,190	19,281	10,433	29,714	35,692
Training	595	300	895	1,165	4,593	4,080	8,673	2,868	6,342	5,135	11,477	16,077
a) U.S.	595	0	595	595	4,593	0	4,593	0	6,342	0	6,342	6,342
b) In-Country	0	300	300	570	0	4,080	4,080	2,868	0	5,135	5,135	9,735
Evaluation	100	0	100	100	160	0	160	0	600	0	600	600
Audit	0	0	0	0	0	160	160	0	0	450	450	450
Admn. & Other	0	0	0	500	0	0	0	3,095	0	0	0	3,500
Contingency	0	0	0	0	0	0	0	0	450	1,309	1,759	3,081
TOTAL	2,711	1,100	3,811	5,145	21,248	10,583	31,831	11,153	26,673	17,327	44,000	59,400

* Either party may unilaterally, with written notice to the other, adjust lineitems in this budget to a maximum of 10% per line item, provided, however, that the total obligated amount as shown in the budget is not exceeded; the total contribution by the Grantee is not reduced; and the amount budgeted for evaluation/audit is not reduced.

** The exchange rate for determining the amount of host country contribution over the life of the project is \$1.00=Rs.31.25